

AMENDED IN SENATE AUGUST 4, 2008

AMENDED IN SENATE JULY 1, 2008

AMENDED IN SENATE JUNE 17, 2008

AMENDED IN ASSEMBLY MAY 23, 2008

AMENDED IN ASSEMBLY APRIL 7, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

## ASSEMBLY BILL

**No. 2640**

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**Introduced by Assembly Member Huffman  
(Principal coauthor: Assembly Member Leno)  
(Coauthor: Assembly Member Dymally)**

February 22, 2008

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~~An act to amend Sections 41850, 48000, and 48004 of, to add Sections 40507.5 and 41781.5 to, to add~~ *An act to amend Sections 41781.3 and 41850 of, to add Sections 41781.5, 48000.4, and 48000.5 to, and to add Article 3 (commencing with Section 48030) to Chapter 2 of Part 7 of Division 30 of, and to repeal Section 48036 of, the Public Resources Code, relating to solid waste.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 2640, as amended, Huffman. Solid waste: compostable organics management.

(1) The California Integrated Waste Management Act of 1989 establishes an integrated waste management program administered by the California Integrated Waste Management Board. The board is required to file an annual report with the Legislature regarding the implementation of the act. The act requires a city, county, city and

county, or regional agency to develop a source reduction and recycling element of an integrated waste management plan containing specified components.

The act requires the source reduction and recycling element to divert 50% of all solid waste subject to the element from disposal through source reduction, recycling, and composting activities, with specified exceptions. Under the act, the use of solid waste for beneficial reuse in the construction and operation of a solid waste landfill, including the use of alternative daily cover, constitutes diversion through recycling and is not considered disposal for purposes of the act, *including the fee imposed upon the disposal of solid waste at disposal sites, as specified below.*

~~This bill would require the board to annually recommend to the Legislature the allocation of the funds that the board should expend to provide the grants and loans authorized by the act. The bill would also require the board to evaluate the feasibility of allowing the use of new nongreen material, including fines, as defined, as alternative daily cover.~~

(2) The board is required to review each city, county, or regional agency source reduction and recycling element and household hazardous waste element at least once every 2 years and to issue an order of compliance if the board finds that the city, county, or regional agency has failed to implement those elements. The board, in determining whether or not to impose any penalties on a city or county for a failure to implement those elements, is required to consider whether the jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element.

This bill would require the board, in determining whether a jurisdiction is making a good faith effort to implement the source reduction and recycling element, to additionally consider the jurisdiction's efforts in diverting organic materials from disposal or deposit in solid waste landfills.

(3) The act requires an operator of a solid waste disposal facility to pay a quarterly fee of up to \$1.40 per ton based on the amount of all solid waste disposed of at each disposal site and requires the State Board of Equalization to collect the fees and deposit the fees in the Integrated Waste Management Account (account) in the Integrated Waste Management Fund (fund) in the State Treasury. The act requires the Integrated Waste Management Board to use the moneys in the account, upon appropriation by the Legislature, for specified purposes.

~~This bill, with regard to green material used as alternative daily cover at a disposal site, would, beginning January 1, 2010, require an operator of a solid waste disposal facility to pay a quarterly fee equal to that solid waste tonnage fee, and would require the State Board of Equalization to collect and deposit the fees imposed on that green material in the account, as specified.~~ *would require, on and after January 1, 2010, for the purpose of determining the amount of the disposal fee, that the solid waste disposed of at a disposal site include the quarterly average of the amount, by weight or volumetric equivalent, as determined by the board, of green material used as alternative daily cover. The bill would alternatively require that if AB 2866 is enacted and becomes effective on or before January 1, 2009, and adds Section 48001.5 to the Public Resources Code, excess green material used for alternative daily cover be included in the amount of solid waste disposed of at a disposal site, for purposes of the fee. The bill would define the term “excess green material used for alternative daily cover” as the amount, by weight or volumetric equivalent, of green material, as defined, used as alternative daily cover that exceeds specified amounts of all other solid waste disposed of at that disposal site. The bill would require the California Integrated Waste Management Board to expend those fee revenues deposited in the account, upon appropriation by the Legislature, to provide competitive grants to operators of new or existing green and food material composting facilities.*

~~The bill would specify the projects that may be funded through these grants, including, but not limited to, actual operating costs for machinery upgrades, construction costs, and other capital investments for composting facilities, except as specified. The bill would require the board, until July 1, 2013, to provide preference to projects that comply with specified statutes and regulations and would prohibit these grants, after that date, from being used to bring facilities into compliance with existing local, state, or federal statute, rule, regulation, or memoranda of agreement or understanding, or any other legally binding document reduce the air quality or water quality impacts of composting facilities.~~ *The bill would authorize the board, on and after January 1, 2015, to also provide competitive grants to projects that provide incentives to local governments for the expansion of composting capacity and to local markets for the purchase of compost and mulch.*

~~The board would be required to include, in the annual report that the board is required to submit to the Legislature, an update on the success of the grant and loan program established by the bill.~~

~~(4) The bill would additionally specify that the funds in the account may be expended by the board, upon appropriation by the Legislature, for the grant and loan programs that are authorized or required to be administered by the board pursuant to the California Integrated Waste Management Act of 1989.~~

~~(5) The bill would specify that certain provisions relating to solid waste disposal fees would only become operative if specified provisions of AB 2866 of the 2007–08 Regular Session are enacted and become effective.~~

*The bill would also make conforming changes.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. The Legislature finds and declares all of the  
2     following:  
3     (a) With the enactment of the California Integrated Waste  
4     Management Act of 1989 (the act), the Legislature declared that  
5     the California Integrated Waste Management Board and local  
6     agencies shall promote recycling and composting over land disposal  
7     and transformation.  
8     (b) Since the enactment of the act, local governments and private  
9     industries have worked jointly to create an extensive material  
10    collection infrastructure and have implemented effective programs  
11    to achieve a statewide diversion rate greater than 50 percent.  
12    (c) Although California now leads the nation in waste reduction  
13    and recycling, the state continues to dispose of more than 10  
14    million tons of compostable organics each year in solid waste  
15    landfills.  
16    (d) Composting organic materials results in substantial  
17    environmental and agricultural benefits, including the reduction  
18    of naturally occurring volatile organic compounds and ammonia.  
19    (e) The Economic and Technology Advancement Advisory  
20    Committee, formed pursuant to the California Global Warming  
21    Solutions Act of 2006 (A.B. 32, 2005–06 Reg. Sess.), has identified  
22    composting as a cost-effective technology for reducing greenhouse  
23    gas emissions and has recommended providing financial incentives  
24    to assist compost operators to offset the cost of complying with  
25    new and existing environmental regulations.

1 (f) The application of compost in agriculture and landscaping  
2 has been shown to offer significant water quality benefits, provide  
3 erosion control, reduce the need for synthetic fertilizers and  
4 pesticides, and conserve water and irrigation-associated energy.

5 (g) The California Integrated Waste Management Board has  
6 adopted a Strategic Directive to reduce the amount of organics in  
7 the waste stream by 50 percent by the year 2020 and has identified  
8 the need for as many as 100 additional facilities in the state to  
9 process compostable organics.

10 (h) In order to reduce the landfilling of organics, increase  
11 composting, and meet the organics disposal reduction target  
12 adopted by the California Integrated Waste Management Board,  
13 the state should reduce barriers to, and provide incentives for,  
14 increasing processing capacity and end-use markets for  
15 compostable organics.

16 ~~SEC. 2. Section 40507.5 is added to the Public Resources Code,~~  
17 ~~to read:~~

18 ~~40507.5. The board shall annually recommend to the~~  
19 ~~Legislature the allocation of the funds that the board should expend~~  
20 ~~to provide the grants and loans authorized by this division.~~

21 *SEC. 2. Section 41781.3 of the Public Resources Code is*  
22 *amended to read:*

23 ~~41781.3. (a) The~~*Except as provided in Section 48000.4 or*  
24 ~~48000.5, the~~ use of solid waste for beneficial reuse in the  
25 construction and operation of a solid waste landfill, including *the*  
26 use of alternative daily cover, ~~which~~ *that* reduces or eliminates the  
27 amount of solid waste being disposed pursuant to Section 40124,  
28 shall constitute diversion through recycling and shall not be  
29 considered disposal for the purposes of this division.

30 (b) Prior to December 31, 1997, pursuant to the board's authority  
31 to adopt rules and regulations pursuant to Section 40502, the board  
32 shall, by regulation, establish conditions for the use of alternative  
33 daily cover that are consistent with this division. In adopting the  
34 regulations, the board shall consider, but is not limited to, all of  
35 the following criteria:

36 (1) Those conditions established in past policies adopted by the  
37 board affecting the use of alternative daily cover.

38 (2) Those conditions necessary to provide for the continued  
39 economic development, economic viability, and employment  
40 opportunities provided by the composting industry in the state.

1 (3) Those performance standards and limitations on maximum  
2 functional thickness necessary to ensure protection of public health  
3 and safety consistent with state minimum standards.

4 ~~(e) Until the adoption of additional regulations, the use of~~  
5 ~~alternative daily cover shall be governed by the conditions~~  
6 ~~established by the board in its existing regulations set forth in~~  
7 ~~paragraph (3) of subdivision (b) of, and paragraph (3) of~~  
8 ~~subdivision (c) of, Section 18813 of Title 14 of the California Code~~  
9 ~~of Regulations, as those sections read on the effective date of this~~  
10 ~~section, and by the conditions established in the board's policy~~  
11 ~~adopted on January 25, 1995.~~

12 ~~(d)~~

13 (c) In adopting ~~rules and~~ regulations pursuant to this section,  
14 Section 40124, and this division, including, but not limited to, ~~Part~~  
15 ~~2 (commencing with Section 40900) this part,~~ the board shall  
16 provide guidance to local enforcement agencies on any conditions  
17 and restrictions on the utilization of alternative daily cover so as  
18 to ensure proper enforcement of those ~~rules and~~ regulations.

19 SEC. 3. Section 41781.5 is added to the Public Resources Code,  
20 to read:

21 41781.5. (a) ~~In~~ In an effort to reduce the amount of organic  
22 waste being deposited into landfills, the board shall evaluate the  
23 feasibility of allowing the use of new nongreen material as  
24 alternative daily cover, including, but not limited ~~to~~ ~~to~~, fines.

25 (b) For purposes of this section, “fines” means the fine material  
26 derived from the processing and recycling of solid waste and  
27 recyclables by material recovery facilities.

28 SEC. 4. Section 41850 of the Public Resources Code is  
29 amended to read:

30 41850. (a) Except as specifically provided in Section 41813,  
31 if, after holding the public hearing and issuing an order of  
32 compliance pursuant to Section 41825, the board finds that the  
33 city, county, or regional agency has failed to make a good faith  
34 effort to implement its source reduction and recycling element or  
35 its household hazardous waste element, the board may impose  
36 administrative civil penalties upon the city or county or, pursuant  
37 to Section 40974, upon the city or county as a member of a regional  
38 agency, of up to ten thousand dollars (\$10,000) per day until the  
39 city, county, or regional agency implements the element.

(b) In determining whether or not to impose any penalties, or in determining the amount of any penalties imposed under this section, including any penalties imposed due to the exclusion of solid waste pursuant to Section 41781.2 that results in a reduction in the quantity of solid waste diverted by a city, county, or regional agency, the board shall consider whether the jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element. In addition, the board shall consider only those relevant circumstances that have prevented a city, county, or regional agency from meeting the requirements of this division, including the diversion requirements of paragraphs (1) and (2) of subdivision (a) of Section 41780, including, but not limited to, all of the following circumstances:

(1) Natural disasters.

(2) Budgetary conditions within a city, county, or regional agency that could not be remedied by the imposition or adjustment of solid waste fees.

(3) Work stoppages that directly prevent a city, county, or regional agency from implementing its source reduction and recycling element or household hazardous waste element.

(4) The impact of the failure of federal, state, and other local agencies located within the jurisdiction to implement source reduction and recycling programs in the jurisdiction on the host jurisdiction's ability to meet the requirements of paragraph (2) of subdivision (a) of Section 41780.

(c) In addition to the factors specified in subdivision (b), the board shall consider all of the following:

(1) The extent to which a city, county, or regional agency has implemented additional source reduction, recycling, and composting activities to comply with the diversion requirements of paragraphs (1) and (2) of subdivision (a) of Section 41780.

(2) The extent to which a city, county, or regional agency is meeting the diversion requirements of paragraphs (1) and (2) of subdivision (a) of Section 41780.

(3) Whether the jurisdiction has requested and been granted an extension to the requirements of Section 41780 or an alternative requirement to Section 41780.

(4) Whether a local jurisdiction has provided information to the board concerning whether construction and demolition waste

1 material is at least a moderately significant portion of the waste  
2 stream, and, if so, whether the local jurisdiction has adopted an  
3 ordinance for diversion of construction and demolition waste  
4 materials from solid waste disposal facilities, has adopted a model  
5 ordinance pursuant to subdivision (a) of Section 42912 for  
6 diversion of construction and demolition waste materials from  
7 solid waste disposal facilities, or has implemented another program  
8 to encourage or require diversion of construction and demolition  
9 waste materials from solid waste disposal facilities.

10 (d) (1) For the purposes of this section, “good faith effort”  
11 means all reasonable and feasible efforts by a city, county, or  
12 regional agency to implement those programs or activities  
13 identified in its source reduction and recycling element or  
14 household hazardous waste element, or alternative programs or  
15 activities that achieve the same or similar results.

16 (2) For purposes of this section “good faith effort” may also  
17 include the evaluation by a city, county, or regional agency of  
18 improved technology for the handling and management of solid  
19 waste that would reduce costs, improve efficiency in the collection,  
20 processing, or marketing of recyclable materials or yard waste,  
21 and enhance the ability of the city, county, or regional agency to  
22 meet the diversion requirements of paragraphs (1) and (2) of  
23 subdivision (a) of Section 41780, provided that the city, county,  
24 or regional agency has submitted a compliance schedule pursuant  
25 to Section 41825, and has made all other reasonable and feasible  
26 efforts to implement the programs identified in its source reduction  
27 and recycling element or household hazardous waste element.

28 (3) In determining whether a jurisdiction has made a good faith  
29 effort, the board shall consider the enforcement criteria included  
30 in its enforcement policy, as adopted on April 25, 1995, or as  
31 subsequently amended.

32 (4) In determining whether a jurisdiction has made a good faith  
33 effort, the board shall also consider the jurisdiction’s efforts in  
34 diverting organic material from disposal or deposit in solid waste  
35 landfills.

36 ~~SEC. 5. Section 48000 of the Public Resources Code is~~  
37 ~~amended to read:~~

38 ~~48000. (a) An operator of a disposal facility shall pay a fee~~  
39 ~~quarterly to the State Board of Equalization that is based on the~~  
40 ~~amount, by weight or volumetric equivalent, as determined by the~~



1 ~~board, of all solid waste disposed of at each disposal site, except~~  
2 ~~solid waste for which the payment of a fee is required pursuant to~~  
3 ~~Article 3 (commencing with Section 48030).~~

4 ~~(b) The fee for solid waste disposed of shall be one dollar and~~  
5 ~~thirty-four cents (\$1.34) per ton. Commencing with the 1995-96~~  
6 ~~fiscal year, the amount of the fee shall be established by the board~~  
7 ~~at an amount that is sufficient to generate revenues equivalent to~~  
8 ~~the approved budget for that fiscal year, including a prudent~~  
9 ~~reserve, but shall not exceed one dollar and forty cents (\$1.40) per~~  
10 ~~ton.~~

11 ~~(c) The board shall notify the State Board of Equalization on~~  
12 ~~the first day of the period in which the rate shall take effect of any~~  
13 ~~rate change adopted pursuant to this section.~~

14 ~~(d) The board and the State Board of Equalization shall ensure~~  
15 ~~that all the fees for solid waste imposed pursuant to this section~~  
16 ~~that are collected at a transfer station are paid to the State Board~~  
17 ~~of Equalization in accordance with this article.~~

18 ~~SEC. 6. Section 48004 of the Public Resources Code is~~  
19 ~~amended to read:~~

20 ~~48004. (a) The money in the account shall be used by the~~  
21 ~~board, upon appropriation by the Legislature, for the following~~  
22 ~~purposes:~~

23 ~~(1) The administration and implementation of this division by~~  
24 ~~the board.~~

25 ~~(2) The state water board's and regional water board's~~  
26 ~~administration and implementation of Division 7 (commencing~~  
27 ~~with Section 13000) of the Water Code at solid waste disposal~~  
28 ~~sites.~~

29 ~~(3) Grant and loan programs that are authorized or required to~~  
30 ~~be administered by the board pursuant to this division.~~

31 ~~(b) It is the intent of the Legislature that an amount which is~~  
32 ~~sufficient to fund state water board and regional water board~~  
33 ~~regulatory activities for solid waste landfills be appropriated from~~  
34 ~~the account by the Legislature in the annual Budget Act. Those~~  
35 ~~persons who are required to pay the fee imposed pursuant to~~  
36 ~~Section 48000 shall not be required to pay the annual fee imposed~~  
37 ~~pursuant to subdivision (d) of Section 13260 of the Water Code~~  
38 ~~with regard to the same discharge.~~

39 ~~(c) Notwithstanding subdivisions (a) and (b), if the fee~~  
40 ~~established pursuant to Section 48000 does not generate revenues~~

1 sufficient to fund the programs specified in this section, or if the  
2 amount appropriated by the Legislature for these purposes is  
3 reduced, those reductions shall be equally and proportionally  
4 distributed between funding for the solid waste programs of the  
5 state water board and the regional water boards and the board.

6 SEC. 5. Section 48000.4 is added to the Public Resources Code,  
7 to read:

8 48000.4. (a) For purposes of this section, “green material”  
9 has the same meaning as defined in subparagraph (A) of paragraph  
10 (3) of subdivision (b) of Section 20690 of Title 27 of the California  
11 Code of Regulations, as that regulation read on January 1, 2009.

12 (b) On and after January 1, 2010, for the purpose of determining  
13 the amount of the disposal fee imposed pursuant to Section 48000,  
14 the amount of solid waste disposed of at a disposal site shall  
15 include the quarterly average of the amount, by weight or  
16 volumetric equivalent, as determined by the board, of green  
17 material used as alternative daily cover.

18 SEC. 6. Section 48000.5 is added to the Public Resources Code,  
19 to read:

20 48000.5. (a) On and after January 1, 2010, for the purpose  
21 of determining the amount of the disposal fee imposed pursuant  
22 to Section 48000, the amount of solid waste disposed of at a  
23 disposal site shall include excess green material that is used for  
24 alternative daily cover.

25 (b) For purposes of this section, the following definitions apply:

26 (1) “Green material” has the same meaning as defined in  
27 subparagraph (A) of paragraph (3) of subdivision (b) of Section  
28 20690 of Title 27 of the California Code of Regulations, as that  
29 regulation read on January 1, 2009.

30 (2) “Excess green material that is used for alternative daily  
31 cover” means the amount, by weight or volumetric equivalent, as  
32 determined by the board, of green material used as alternative  
33 daily cover that exceeds the following amounts:

34 (A) On and after January 1, 2010, a quarterly average of 10  
35 percent of the total amount of all other solid waste disposed of at  
36 that disposal site, as determined by the board.

37 (B) On and after January 1, 2014, a quarterly average of 7  
38 percent of the total amount of all other solid waste disposed of at  
39 that disposal site, as determined by the board.

1 SEC. 7. Article 3 (commencing with Section 48030) is added  
2 to Chapter 2 of Part 7 of Division 30 of the Public Resources Code,  
3 to read:

4  
5 Article 3. Organics Management Grant Program

6  
7 ~~48030. For purposes of this article, the following definitions~~  
8 ~~apply:~~

9 ~~(a) "Board" means the California Integrated Waste Management~~  
10 ~~Board.~~

11 ~~(b) "State board" means the State Board of Equalization.~~

12 ~~48031. (a) (1) Commencing January 1, 2010, an operator of~~  
13 ~~a disposal facility shall pay a fee quarterly to the state board that~~  
14 ~~is based on the amount, by weight or volumetric equivalent, as~~  
15 ~~determined by the board, of all green material, as defined in~~  
16 ~~regulations adopted by the board pursuant to Section 40502, that~~  
17 ~~is used for alternative daily cover at each disposal site.~~

18 ~~(2) Notwithstanding paragraph (1), the state board may require~~  
19 ~~the payment of the fee imposed pursuant to this section and the~~  
20 ~~filing of returns for other than quarterly periods.~~

21 ~~(3) An operator of a disposal facility shall pay the fee imposed~~  
22 ~~pursuant to this section quarterly, on or before the 25th day of the~~  
23 ~~calendar month following the quarterly period for which the fee~~  
24 ~~is due.~~

25 ~~(4) (A) Each payment of a fee pursuant to this section shall be~~  
26 ~~accompanied by a return in the form as prescribed by the state~~  
27 ~~board, including, but not limited to, electronic media. The return~~  
28 ~~shall include the following information:~~

29 ~~(i) The total amount of green material subject to the fee.~~

30 ~~(ii) The amount of the fee for the period covered by the return.~~

31 ~~(iii) Other information that the state board determines to be~~  
32 ~~necessary.~~

33 ~~(B) A return submitted pursuant to this paragraph shall be~~  
34 ~~authenticated pursuant to methods as may be prescribed by the~~  
35 ~~state board.~~

36 ~~(b) The fee imposed pursuant to this section shall be in the same~~  
37 ~~amount as the total amount that is required to be paid to the state~~  
38 ~~board pursuant to Section 48000 for each ton of solid waste subject~~  
39 ~~to that fee.~~

~~(e) The board and the state board shall ensure that all fees for green material imposed pursuant to this section that are collected at a transfer station are paid to the state board in accordance with this article.~~

~~(d) The state board shall collect the fee imposed pursuant to this section in accordance with the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code).~~

~~48032. (a) (1) Commencing January 1, 2010, an operator of a disposal facility shall pay a fee quarterly to the state board that is based on the amount, by weight or volumetric equivalent, as determined by the board, of all green material, as defined by regulations adopted by the board pursuant to Section 40502, that is used for alternative daily cover at each disposal site and that exceeds 7 ½ percent of the amount disposed at that disposal site.~~

~~(2) Notwithstanding paragraph (1), the state board may require the payment of the fee imposed pursuant to this section and the filing of returns for other than quarterly periods.~~

~~(3) An operator of a disposal facility shall pay the fee imposed pursuant to this section quarterly, on or before the 25th day of the calendar month following the quarterly period for which the fee is due.~~

~~(4) (A) Each payment of a fee pursuant to this section shall be accompanied by a return in the form as prescribed by the state board, including, but not limited to, electronic media. The return shall include the following information:~~

~~(i) The total amount of green material subject to the fee.~~

~~(ii) The amount of the fee for the period covered by the return.~~

~~(iii) Other information that the state board determines to be necessary.~~

~~(B) A return submitted pursuant to this paragraph shall be authenticated pursuant to methods as may be prescribed by the state board.~~

~~(b) The fee imposed pursuant to this section shall be in the same amount as the total amount that is required to be paid to the state board pursuant to Section 48000 for each ton of solid waste subject to that fee.~~

~~(e) The board and the state board shall ensure that all fees for green material imposed pursuant to this section that are collected~~

1 at a transfer station are paid to the state board in accordance with  
2 this article.

3 ~~(d) The state board shall collect the fee imposed pursuant to this~~  
4 ~~section in accordance with the Fee Collection Procedures Law~~  
5 ~~(Part 30 (commencing with Section 55001) of Division 2 of the~~  
6 ~~Revenue and Taxation Code).~~

7 ~~48033. The revenue from the fees paid pursuant to this article~~

8 ~~48030. The revenues from the fees paid pursuant to Section~~  
9 ~~48000.4 or 48000.5 shall, after payment of refunds and~~  
10 ~~administrative costs of collection, be deposited in the Integrated~~  
11 ~~Waste Management Account pursuant to Section 48001 for~~  
12 ~~expenditure pursuant to this article.~~

13 ~~48034. The state board shall adopt rules and regulations to~~  
14 ~~carry out this article, including, but not limited to, provisions~~  
15 ~~governing collections, reporting, refunds, and appeals.~~

16 ~~48035. The state board shall not spend more than one-half of~~  
17 ~~1 percent of the total revenues deposited, or anticipated to be~~  
18 ~~deposited, in the account during a fiscal year for the administration~~  
19 ~~of this article during that fiscal year.~~

20 ~~48036.~~

21 ~~48031. (a) The board shall expend the funds deposited in the~~  
22 ~~account pursuant to this article, upon appropriation by the~~  
23 ~~Legislature, to provide competitive grants to operators of new or~~  
24 ~~existing green and food material composting facilities. The projects~~  
25 ~~that may be funded through these grants include, but are not limited~~  
26 ~~to, actual operating costs for machinery upgrades, construction~~  
27 ~~costs, and other capital investments for composting facilities. The~~  
28 ~~board shall not provide a grant pursuant to this section for a project~~  
29 ~~that utilizes high-temperature thermal technology.~~

30 ~~(b) In awarding grants pursuant to this section, the board shall~~  
31 ~~provide preference to those projects that maximize the achievement~~  
32 ~~of the goal to reduce the amount of organics subject to disposal or~~  
33 ~~deposited in landfills, including projects that would do either of~~  
34 ~~the following:~~

35 ~~(1) Comply, including early compliance, with existing or~~  
36 ~~proposed regulations or rules governing air quality, as adopted or~~  
37 ~~proposed to be adopted by the State Air Resources Board or a~~  
38 ~~district, as defined in Section 39025 of the Health and Safety Code.~~

39 ~~(2) Comply, including early compliance, with existing or~~  
40 ~~proposed regulations that would otherwise prevent the achievement~~

1 of the goal to reduce the amount of organics subject to disposal or  
2 deposited in landfills.

3 ~~(e) This section shall become inoperative on June 30, 2013, and,~~  
4 ~~as of January 1, 2014, is repealed, unless a later enacted statute,~~  
5 ~~that becomes operative on or before January 1, 2014, deletes or~~  
6 ~~extends the dates on which it becomes inoperative and is repealed.~~

7 ~~48036. (a) The board shall expend the funds deposited in the~~  
8 ~~account pursuant to this article, upon appropriation by the~~  
9 ~~Legislature, to provide competitive grants to operators of new or~~  
10 ~~existing green and food material composting facilities. The projects~~  
11 ~~that may be funded through these grants include, but are not limited~~  
12 ~~to, actual operating costs for machinery upgrades, construction~~  
13 ~~costs, and other capital investments for composting facilities. The~~  
14 ~~board shall not provide a grant pursuant to this section for a project~~  
15 ~~that utilizes high-temperature thermal technology.~~

16 ~~(b) In awarding grants pursuant to this section, the board shall~~  
17 ~~provide preference to those projects that maximize the achievement~~  
18 ~~of the goal to reduce the amount of organics subject to disposal or~~  
19 ~~deposited in landfills. The grants issued pursuant to this article~~  
20 ~~shall not be used to bring facilities into compliance with existing~~  
21 ~~local, state, or federal statute, rule, regulation, or memoranda of~~  
22 ~~agreement or understanding, or any other legally binding document.~~

23 ~~(c) On and after January 1, 2015, the board may also award~~  
24 ~~competitive grants pursuant to this section to projects that provide~~  
25 ~~incentives to local governments for the expansion of composting~~  
26 ~~capacity and to local markets for the purchase of compost and~~  
27 ~~mulch generated within a jurisdiction.~~

28 ~~(d) This section shall become operative July 1, 2013: reduce~~  
29 ~~the air quality or water quality impacts of composting facilities.~~

30 ~~(c) On and after January 1, 2015, the board may also award~~  
31 ~~competitive grants pursuant to this section to projects that provide~~  
32 ~~incentives to local governments for the expansion of composting~~  
33 ~~capacity and to local markets for the purchase of compost and~~  
34 ~~mulch generated within a jurisdiction.~~

35 ~~48037.~~

36 ~~48032. The board shall include, in its annual report to the~~  
37 ~~Legislature pursuant to Section 40507, an update on the success~~  
38 ~~of the grant program established by this article.~~

39 ~~SEC. 9. Section 48032 of Article 3 (commencing with Section~~  
40 ~~48030), as added to Chapter 2 of Part 7 of Division 30 of the Public~~

1 ~~Resources Code, by this act, shall only become operative if~~  
2 ~~Assembly Bill 2866 of the 2007–08 Regular Session is enacted~~  
3 ~~and becomes effective on or before January 1, 2007, and that bill~~  
4 ~~adds Section 48001.5 to the Public Resources Code, in which case,~~  
5 ~~Section 48031 of Article 3 (commencing with Section 48030), as~~  
6 ~~added to Chapter 2 of Part 7 of Division 30 of the Public Resources~~  
7 ~~Code, by this act, shall not become operative.~~

8 *SEC. 8. Section 6 of this act shall only become operative if*  
9 *Assembly Bill 2866 of the 2007–08 Regular Session is enacted and*  
10 *becomes effective on or before January 1, 2009, and that bill adds*  
11 *Section 48001.5 to the Public Resources Code, in which case*  
12 *Section 5 of this act shall not become operative.*